

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
THE CANYONS METROPOLITAN DISTRICT NO. 7 (THE "DISTRICT")
HELD
APRIL 14, 2021

A special meeting of the Board of Directors of the Canyons Metropolitan District No. 7 (referred to hereafter as the "Board") was convened on April 14, 2021, at 9:00 a.m. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board meeting was held via Zoom. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Jeff Kappes, President
Skyler Hager, Vice-President/Secretary
Teresa Kershisnik, Treasurer
Michele Miller, Assistant Secretary
Jessica McDonagh, Assistant Secretary

Also, In Attendance Were:

Denise Denslow and Shelby Clymer; CliftonLarsonAllen LLP, District Manager and Accountant;
Zachary P. White, Esq.; White Bear Ankele Tanaka & Waldron P.C., District General Counsel; and
Spencer Selva and Ryan McDermed; Shea Canyons, LLC, Construction Manager

ADMINISTRATIVE MATTERS

Call to Order/Declaration of Quorum: Director Kappes called the meeting to order at 9:04 a.m.

Director Conflict of Interest Disclosures: Mr. White advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. White reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. White inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

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Approval of Agenda: The Board reviewed the Agenda for the meeting. Following discussion, upon motion duly made by Director Kappes, seconded by Director Kershnik, and upon vote unanimously carried, the Boards approved the Agenda, as amended so that Director Miller's first name is spelled correctly.

Minutes of March 10, 2021 Special Meeting: The Board reviewed the Minutes of the March 10, 2021 Special Meeting. Following review and discussion, upon motion duly made by Director Miller, seconded by Director Kershnik, and upon vote unanimously carried, the Board approved the Minutes, as amended so that Director Miller's first name is spelled correctly.

Public Comment: There was no public comment.

FINANCIAL MATTERS

Payables and Schedule of Cash Position: Ms. Clymer reviewed the Payables and Schedule of Cash Position with the Board. Following review and discussion, upon a motion duly made by Director Kershnik, seconded by Director Kappes and upon a vote unanimously carried, the Board approved the Payables and Schedule of Cash Position noting the total for the claims is \$1,471,240.55.

2020 Audit Report:

2020 Audit: Ms. Clymer presented the draft 2020 audit. Discussion followed regarding the range of interest accruing on the outstanding developer advances. The Board directed Ms. Clymer to solicit a proposal from North Slope Capital Advisors to provide a Financial Advisor Certification on the reasonableness of interest rates. Following review and discussion, upon a motion duly made by Director Kershnik, seconded by Director McDonagh and, upon a vote, unanimously carried, the Board accepted the 2020 Audit subject to final legal review and receipt of a clean opinion from the auditor.

Other: None.

LEGAL MATTERS

Resolution Regarding Policies, Procedures, and Penalties for the Enforcement of the Governing Documents: Mr. White briefed the Board on the matters contained within the resolution, which outlines processes and fees associated with covenant enforcement violations. Following review and discussion, upon a motion duly made by Director Miller, seconded by Director Hager and, upon a vote, unanimously carried, the Board adopted the Resolution Regarding Policies, Procedures, and Penalties for the Enforcement of the Governing Documents.

Resolution for Recreational Vehicle Policy: Mr. White informed the Board that this resolution had been approved previously and is only in need of

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signatures. Discussion followed regarding the need of clarifying information related to the City of Castle Pines policy on the use of motorized bikes and scooters. Mr. White will include this clarification. No action was taken.

Resolution for Short Term Rental Policy: Mr. White noted this item also was approved at a prior meeting and only needs signatures. No action was taken.

Other: None.

MANAGER / OPERATIONS MATTERS

Managers' Report: Ms. Denslow reported on trash and recycling service issues related to the March storm, as well as ongoing construction traffic congestion that is impacting Waste Management's ability to service the community. Discussion followed. No action was taken.

Other: None.

CONSTRUCTION MATTERS

Summary and Status of Construction Matters, Review Construction Manager Board Communication: Mr. McDermed reviewed the communication with the Board.

Independent Contractor Agreements:

Independent Contractor Agreement with Aztec Consultants, Inc. for Filing 2, 1st Amendment – Final Plat Survey Services: Following review and discussion, upon a motion duly made by Director Miller, seconded by Director Hager and, upon a vote, unanimously carried, the Board approved the Independent Contractor Agreement with Aztec Consultants, Inc. for Filing 2, 1st Amendment – Final Plat Survey Services in the amount of \$28,050.

Independent Contractor Agreement with Core Consultants, Inc. for Canyons Filing 2, 1st Amendment Construction Documents: Following review and discussion, upon a motion duly made by Director Miller, seconded by Director Hager and, upon a vote, unanimously carried, the Board approved the Independent Contractor Agreement with Core Consultants, Inc. for Canyons Filing 2, 1st Amendment Construction Documents in the amount of \$131,000.

Independent Contractor Agreement with Core Consultants, Inc. for Canyons Phase 2 Preliminary Plan and Early Grading: Following review and discussion, upon a motion duly made by Director Miller, seconded by Director Hager and, upon a vote, unanimously carried, the Board approved the Independent Contractor Agreement with Core Consultants, Inc. for Canyons Phase 2 Preliminary Plan and Early Grading in the amount of \$374,000.

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Independent Contractor Agreement with Naranjo Civil Constructors for Newlin Gulch Phase 2 & 3 Services: No action was taken.

Change Orders: None.

Construction Agreements:

Bidding Filing 1, 2nd Amendment (PWSD Phase 4 and CoCP Phase 5) “The Claw”: The Board discussed the Bidding in Filing 1, 2nd Amendment (PWSD Phase 4 and CoCP Phase 5) “The Claw”. Mr. White and Mr. McDermed walked the Board through a suggested process that would allow for expedited construction. The concrete and asphalt installation will go through the normal District bidding process. The wet utilities will be built by Shea and go through a third-party certification upon completion. No action was needed.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned at 10:00 a.m.

Respectfully submitted,

DocuSigned by:
By Michelle Miller
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Secretary for the Meeting

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Michele Miller

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